

J CLUBB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2017

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J CLUBB LIMITED

COMPANY INFORMATION

Directors	S W Clubb C Dring J Lovett
Registered number	00442955
Registered office	Church Hill Wilmington Dartford DA2 7DZ
Independent auditor	Crowe Clark Whitehill LLP 10 Palace Avenue Maidstone Kent ME15 6NF

J CLUBB LIMITED

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J CLUBB LIMITED

STRATEGIC REPORT For the year ended 31 March 2017

Introduction

The principal activity of the company is the winning and processing of aggregates, production of ready mixed concrete and the transport and marketing of these materials.

Business review

The business continues to perform well and demand in the commercial and housing sectors remains positive particularly in the London and South East Regions.

Revenues have again increased reflecting the trend in recent years, up 11.2% in 2017 (8.8% in 2016).

Gross profit is marginally down on the previous year due to significant increases in repairs and depreciation charges. This reflected the decision to accelerate the renewal and capital investment programs to improve efficiency, productivity and reduce downtime. Furthermore a decision to bring forward landscaping and restoration work at Nepicar also reduced the gross profit.

Taking into consideration the additional expenditure, operating margins have remained consistent year on year.

Although in its infancy the Aggregate Rail Depot at East Peckham is now fully operational and the Board actively seek to maximise its development potential and are currently exploring other value added opportunities.

Therefore, the board expects margins to improve in future periods subject to market conditions remaining stable.

The business has undertaken a Scheme of Demerger, after clearance from HMRC and the assets not core to the trading activities were transferred out as reflected in the movements in Freehold Property shown in note 14.

The shareholders and their shareholding proportions remain unchanged.

The business has now successfully moved away from its dependency on its own land won reserves having a well-established marine operation and permanent aggregate rail depot in prime locations in the South East and the Board continues to remain confident in the prospects for the Company with reported trading in the first quarter of the new year in line with expectations.

Principal risks and uncertainties

Any business faces a number of risks and these are reviewed thoroughly and regularly by the directors. This review considers only the principal risks and uncertainties that the company faces.

- i) Market volatility
- ii) Escalating energy and environmental costs
- iii) Continuing uncertainties affecting pension liabilities and investments and the increased costs of related regulation.

The directors feel confident of managing these risks and remain optimistic for the future as the company remains well placed to participate in major development opportunities.

The company has invested in energy saving and environmental projects to mitigate against rising energy costs.

After the year end the investment strategy for the defined benefit pension scheme has been moved to a liability driven investment platform. This strategy will de-risk the scheme and hedge against future interest and inflation rate movements.

J CLUBB LIMITED

STRATEGIC REPORT (CONTINUED)
For the year ended 31 March 2017

Financial key performance indicators

- Turnover for the year has increased by 11.2% from £ 14.2 million to £15.8 million
- Gross profit as a percentage of turnover has decreased from 19.9% to 17.7% (explanation above)
- Debtors days have decreased from 77 days to 75 days in 2017

This report was approved by the board on

4th September 2017

and signed on its behalf.

S W Clubb
Director



J CLUBB LIMITED

DIRECTORS' REPORT For the year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £738,782 (2016 - £898,028).

Directors

The directors who served during the year were:

S W Clubb
C Dring
J Lovett

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance which requires the reasons for this decision to be explained.

The company remains profitable and has adequate cash resources. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, based upon the directors forecasts, and believe the going concern basis of accounting is appropriate for preparing the annual financial statements.

J CLUBB LIMITED

DIRECTORS' REPORT (CONTINUED)
For the year ended 31 March 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4th September 2017 and signed on its behalf.


S W Clubb
Director

J CLUBB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF J CLUBB LIMITED

We have audited the financial statements of J Clubb Limited for the year ended 31 March 2017, set out on pages 7 to 30. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

J CLUBB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF J CLUBB LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Anderson

Mark Anderson (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

10 Palace Avenue

Maidstone

Kent

ME15 6NF

Date: *7 September 2017*

J CLUBB LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	15,822,003	14,224,416
Cost of sales		<u>(13,035,400)</u>	<u>(11,394,525)</u>
Gross profit		2,786,603	2,829,891
Administrative expenses		(1,837,731)	(1,875,516)
Other operating income	5	101,368	176,760
Operating profit	6	1,050,240	1,131,135
Interest receivable and similar income	9	2,619	2,121
Interest payable and expenses	10	(54,024)	(47,424)
Other finance income		(16,000)	(18,000)
Profit before tax		982,835	1,067,832
Tax on profit	12	(244,053)	(169,804)
Profit for the financial year		<u>738,782</u>	<u>898,028</u>

J CLUBB LIMITED
Registered number: 00442955

BALANCE SHEET
As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	13,064,680	15,924,394
Investments	15	1,962,335	352,335
		<u>15,027,015</u>	<u>16,276,729</u>
Current assets			
Stocks	16	533,120	330,836
Debtors	17	3,916,848	3,607,576
Cash at bank and in hand	18	1,581,159	1,117,759
		<u>6,031,127</u>	<u>5,056,171</u>
Creditors: amounts falling due within one year	19	<u>(3,873,429)</u>	<u>(3,569,743)</u>
Net current assets		<u>2,157,698</u>	<u>1,486,428</u>
Total assets less current liabilities		<u>17,184,713</u>	<u>17,763,157</u>
Creditors: amounts falling due after more than one year	20	(1,124,503)	(398,006)
Provisions for liabilities			
Deferred tax	22	<u>(1,636,381)</u>	<u>(2,302,964)</u>
		<u>(1,636,381)</u>	<u>(2,302,964)</u>
Pension liability	25	(594,621)	(393,362)
Net assets		<u><u>13,829,208</u></u>	<u><u>14,668,825</u></u>
Capital and reserves			
Called up share capital	23	480,020	480,020
Revaluation reserve		5,420,254	7,972,286
Profit and loss account		7,928,934	6,216,519
		<u>13,829,208</u>	<u>14,668,825</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

4th September 2017

S W Clubb
Director



J CLUBB LIMITED

**STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	480,020	7,972,286	6,216,519	14,668,825
Profit for the year	-	-	738,782	738,782
Actuarial losses on pension scheme	-	-	(252,599)	(252,599)
Transfer of revaluation reserve on disposal of properties	-	(2,552,032)	3,145,332	593,300
Dividends: Equity capital	-	-	(1,919,100)	(1,919,100)
At 31 March 2017	480,020	5,420,254	7,928,934	13,829,208

**STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	480,020	7,873,008	5,393,455	13,746,483
Profit for the year	-	-	898,028	898,028
Actuarial gains on pension scheme	-	-	60,036	60,036
Surplus on revaluation of freehold property	-	99,278	-	99,278
Dividends: Equity capital	-	-	(135,000)	(135,000)
At 31 March 2016	480,020	7,972,286	6,216,519	14,668,825

The notes on pages 10 to 30 form part of these financial statements.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

1. General information

J Clubb Limited is a private limited company incorporated in England and Wales (registration number 04429255).

Its principal activity is that of the winning and processing of aggregates, production of ready mixed concrete and the transport and marketing of these materials.

It's registered address is at:

Church Hill
Wilmington
Dartford
DA2 7DZ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance which requires the reasons for this decision to be explained.

The company remains profitable and has adequate cash resources. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, based upon the directors forecasts, and believe the going concern basis of accounting is appropriate for preparing the annual financial statements.

The following principal accounting policies have been applied:

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2017

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of J Clubb Holdings Limited as at 31 March 2017 and these financial statements may be obtained from Companies House.

2.3 Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on delivery of the product to the customer.

Rental income is recognised when payments are due in accordance with the lease agreement.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 2% straight line
Plant & machinery	- 4 - 25% straight line
Motor vehicles	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

2. Accounting policies (continued)

2.5 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for slow or obsolete and slow-moving stocks. Cost include all direct costs and an appropriate portion of fixed and variable overheads.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2017

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2017

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds

Defined benefit pension plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a finance expense'.

2.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

- future rates of taxation in the computation of deferred tax assets and liabilities
- the current fair value of the land and buildings which is determined by a 3rd party valuation
- any provisions for future potential losses arising on any claims or disputes

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

4. Turnover

	2017 £	2016 £
Processing of aggregates and ready mix concrete	15,822,003	14,224,416
	<u>15,822,003</u>	<u>14,224,416</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Ground rent receivable	85,368	92,760
Service charge receivable	1,000	69,000
Sundry income	15,000	15,000
	<u>101,368</u>	<u>176,760</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	720,642	593,090
Other operating lease rentals	108,614	104,187
Defined contribution pension cost	118,678	172,520
	<u>947,934</u>	<u>870,807</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual accounts	15,100	14,810
Fees payable to the company's auditor and in respect of:		
Other services relating to taxation	3,175	3,115
All other services	12,300	400

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	2,270,132	2,046,426
Social security costs	232,543	206,610
Cost of defined contribution scheme	118,678	172,520
	<u>2,621,353</u>	<u>2,425,556</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Office and Management	20	20
Production	43	38
	<u>63</u>	<u>58</u>

9. Interest receivable

	2017 £	2016 £
Other interest receivable	2,619	2,121
	<u>2,619</u>	<u>2,121</u>

10. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	1,425	6,489
Finance leases and hire purchase contracts	52,599	40,935
	<u>54,024</u>	<u>47,424</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

11. Other finance costs

	2017 £	2016 £
Net interest on net defined benefit liability	(16,000)	(18,000)
	<u>(16,000)</u>	<u>(18,000)</u>

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	307,802	73,347
Adjustments in respect of previous periods	(2,436)	-
Total current tax	<u>305,366</u>	<u>73,347</u>
Deferred tax		
Origination and reversal of timing differences	(103,632)	126,859
Changes to tax rates	28,554	(40,544)
Adjustments in respect of prior periods	1,795	(478)
Deferred tax re pension scheme	11,970	10,620
Total deferred tax	<u>(61,313)</u>	<u>96,457</u>
Taxation on profit on ordinary activities	<u>244,053</u>	<u>169,804</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>982,835</u>	<u>1,067,832</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	196,567	213,566
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,772	15,932
Adjustments to tax charge in respect of prior periods	(641)	(478)
Adjust closing deferred tax to average rate of 20.00%	26,240	(57,879)
Ineligible depreciation	2,115	1,733
Additional deduction for land remediation expenditure	-	(70)
Income not deductible for tax purposes	(3,000)	(3,000)
Total tax charge for the year	<u><u>244,053</u></u>	<u><u>169,804</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2017 £	2016 £
Dividends paid on ordinary shares	<u>1,919,100</u>	<u>135,000</u>
	<u><u>1,919,100</u></u>	<u><u>135,000</u></u>

A dividend in specie of £1,784,100 was declared which transferred items of freehold land and buildings to J Clubb Holdings Limited.

A cash dividend of £135,000 was also paid in the year.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

14. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2016	10,525,000	8,097,606	1,906,505	20,529,111
Additions	-	757,323	515,845	1,273,168
Disposals	(3,394,100)	(373,884)	(109,663)	(3,877,647)
At 31 March 2017	<u>7,130,900</u>	<u>8,481,045</u>	<u>2,312,687</u>	<u>17,924,632</u>
Depreciation				
At 1 April 2016	4,210	3,592,784	1,007,723	4,604,717
Charge for the year on owned assets	2,105	305,688	91,287	399,080
Charge for the year on financed assets	-	133,106	188,456	321,562
Disposals	-	(366,843)	(98,564)	(465,407)
At 31 March 2017	<u>6,315</u>	<u>3,664,735</u>	<u>1,188,902</u>	<u>4,859,952</u>
Net book value				
At 31 March 2017	<u>7,124,585</u>	<u>4,816,310</u>	<u>1,123,785</u>	<u>13,064,680</u>
At 31 March 2016	<u>10,520,790</u>	<u>4,504,822</u>	<u>898,782</u>	<u>15,924,394</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	671,230	380,357
Motor vehicles	714,395	419,422
	<u>1,385,625</u>	<u>799,779</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	352,335
Additions	1,610,000
At 31 March 2017	<u>1,962,335</u>
 Net book value	
At 31 March 2017	<u>1,962,335</u>
 <i>At 31 March 2016</i>	<u>352,335</u>

During the year the company transferred the head office property at Wilmington at a value of £1,610,000 to Chantilly Lace Holdings Limited as consideration for the entire share capital of that company.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
J Clubb & Son Limited (dormant)	Ordinary	100 %	Dormant
Clubbs Estates Limited (dormant)	Ordinary	100 %	Dormant
Clubbs Washed Gravel Company Limited (dormant)	Ordinary	100 %	Dormant
Mid Kent Concrete Limited	Ordinary	100 %	Ready mix concrete supplier
Chantilly Lace Holdings Limited	Ordinary	100 %	Holding company

Name	Registered office
J Clubb & Son Limited (dormant)	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ
Clubbs Estates Limited (dormant)	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ
Clubbs Washed Gravel Company Limited (dormant)	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ
Mid Kent Concrete Limited	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ
Chantilly Lace Holdings Limited	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
J Clubb & Son Limited (dormant)	50,000	-
Clubbs Estates Limited (dormant)	50,000	-
Clubbs Washed Gravel Company Limited (dormant)	12,000	-
Mid Kent Concrete Limited	(49,997)	59,664
Chantilly Lace Holdings Limited	1,610,000	-
	<u>1,672,003</u>	<u>59,664</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

16. Stocks

	2017 £	2016 £
Raw materials and consumables	67,884	66,606
Finished goods and goods for resale	465,236	264,230
	<u>533,120</u>	<u>330,836</u>

Stock recognised in cost of sales during the year as an expense was £6,744,021 (2016: £6,049,226).

17. Debtors

	2017 £	2016 £
Due after more than one year		
Amounts owed by joint ventures and associated undertakings	176,298	114,890
	<u>176,298</u>	<u>114,890</u>
Due within one year		
Trade debtors	3,275,543	2,988,503
Amounts owed by joint ventures and associated undertakings	238,696	232,434
Other debtors	120,124	146,785
Prepayments and accrued income	106,187	124,963
	<u>3,916,848</u>	<u>3,607,575</u>

18. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,581,159	1,117,759
	<u>1,581,159</u>	<u>1,117,759</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	-	74,167
Other loans	-	55,900
Trade creditors	2,183,847	1,757,943
Corporation tax	305,366	73,347
Other taxation and social security	726,662	665,302
Obligations under finance lease and hire purchase contracts	389,223	543,835
Other creditors	35,386	33,488
Accruals and deferred income	232,945	365,761
	<u>3,873,429</u>	<u>3,569,743</u>

The Bank and other Loans were secured by a fixed and floating charge over the company's properties but after the year end these were removed as no longer required.

Amounts due under finance lease and hire purchase agreements are secured against the related assets.

20. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	1,012,503	286,006
Amounts owed to group undertakings	112,000	112,000
	<u>1,124,503</u>	<u>398,006</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

21. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5,391,820	4,600,371
	<u>5,391,820</u>	<u>4,600,371</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,564,177)	(2,399,259)
	<u>(2,564,177)</u>	<u>(2,399,259)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, amounts owed by associated/group companies and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade creditors, other creditors and accruals.

22. Deferred taxation

	2017 £	2016 £
At beginning of year	(2,302,964)	(2,316,405)
Charged to the profit or loss	73,283	13,441
Movements in deferred tax on revalued properties recognised in reserves	593,300	-
At end of year	<u>(1,636,381)</u>	<u>(2,302,964)</u>

The movement of £593,300 relates to disposal of the freehold land and buildings in the year where the deferred tax had been recognised in reserves on the revalued properties.

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(572,181)	(513,068)
Capital gains/losses	-	(129,294)
Short term timing differences	5,876	2,774
Deferred tax relating to revaluation of tangible assets	(1,070,076)	(1,663,376)
	<u>(1,636,381)</u>	<u>(2,302,964)</u>

23. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
480,020 Ordinary Shares shares of £1 each	<u>480,020</u>	<u>480,020</u>

24. Capital commitments

At 31 March 2017 the company had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	330,000	-
	<u>330,000</u>	<u>-</u>

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

25. Pension commitments

The company operates a defined benefit pension scheme.

The amounts in the financial statements relating to pensions, are based on a full actuarial valuation dated 6 April 2014 updated to 31 March 2017 for the purpose of FRS 102. Since the scheme is closed to new entrants, under the Projected Unit Method (the method of valuation specified for the purpose of FRS 102) the current service costs will increase as members of the scheme approach retirement.

Reconciliation of present value of plan liabilities:

	2017 £	2016 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	393,362	501,778
Interest income	16,000	18,000
Actuarial gains/losses	313,000	(14,832)
Contributions	(79,000)	(77,000)
Deferred tax on actuarial gain/loss	(48,741)	(34,584)
At the end of the year	594,621	393,362

Composition of plan assets:

	2017 £	2016 £
UK Equities	294,000	242,000
Global Equities	1,359,000	1,018,000
Diversified growth assets	629,000	656,000
Property	524,000	530,000
Government bonds	234,000	236,000
Corporate bonds	2,013,000	1,844,000
Secured annuities	675,000	625,000
Cash and other	43,000	17,000
Total plan assets	5,771,000	5,168,000

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

25. Pension commitments (continued)

	2017 £	2016 £
Fair value of plan assets	5,770,900	5,167,900
Present value of plan liabilities	(6,505,000)	(5,652,000)
Related deferred tax asset	139,479	90,738
Net pension scheme liability	(594,621)	(393,362)

The amounts recognised in profit or loss are as follows:

	2017 £	2016 £
Interest on obligation	(16,000)	(18,000)
Total	(16,000)	(18,000)

Reconciliation of fair value of plan liabilities were as follow:

	2017 £	2016 £
Opening defined benefit obligation	5,652,000	5,835,000
Current service cost	179,000	166,000
Interest cost	16,000	18,000
Actuarial gains and (losses)	848,000	(231,000)
Benefits paid	(190,000)	(136,000)
Closing defined benefit obligation	6,505,000	5,652,000

Reconciliation of fair value of plan assets were as follows:

	2017 £	2016 £
Opening fair value of scheme assets	5,167,900	5,207,900
Actuarial gains and (losses)	535,000	(147,000)
Interest income	179,000	166,000
Contributions by employer	79,000	77,000
Benefits paid	(190,000)	(136,000)
	5,770,900	5,167,900

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

25. Pension commitments (continued)

The company expects to contribute £81,689 to its defined benefit pension scheme in 2018.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2017	2016
	%	%
Discount rate	2.6	3.5
Inflation - RPI	3.5	3
Inflation - CPI	2.5	2
Allowance for revaluation of deferred pensions of CPI or 5% pa. if less	2.5	2
Allowance for pension in payment increases of RPI or 5% p.a. if less	3	3

	2017	2016	2015	2014	2013
	£	£	£	£	£
Defined benefit obligation	(6,505,000)	(5,652,000)	(5,835,000)	(5,526,123)	(5,172,100)
Scheme assets	5,771,000	5,168,000	5,207,900	4,853,900	4,950,900
Surplus	(734,000)	(484,000)	(627,100)	(672,223)	(221,200)

26. Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than 1 year	62,317	67,640
Later than 1 year and not later than 5 years	74,941	131,147
	137,258	198,787

J CLUBB LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2017

27. Related party transactions

At the year end the company was owed £30,551 (2016: £30,551) by EEM Limited, a company in which Simon Clubb is a shareholder.

At the year end the company was owed £238,696 (2016: £200,433) by Hye Oak Limited. 50% of the share capital is owned by J Clubb Limited. Sales to this company amounted to £1,817,529 (2016: £1,294,679).

At the year end the company was owed £76,298 (2016: £1,080) by Darenth Developments Limited, a company under common control.

At the year end the company was owed £23,389 (2016: creditor of £945) by J Clubb Investments (2007) Limited, a company under common control.

At the year end the company owed £18,000 (2016: £18,000) to Iris Estates Limited, a company under common control.

28. Controlling party

As at 31 March 2017, the company's immediate parent company was J Clubb Holdings Limited, a company registered in England and Wales. The company's financial statements are included within the consolidated financial statements of J Clubb Holdings Limited.

After the year end, via a share for share exchange, Deneep Limited became the ultimate parent undertaking.

There is no ultimate controlling party.

Their accounts are available from:

Church Hill
Wilmington
Dartford
Kent
DA2 7DZ

29. Audit exemption subsidiaries

The following subsidiaries have taken exemption from the Companies Act 2006 relating to statutory audit of their individual financial statements by virtue of Section 479a of the act:

Mid Kent Concrete Limited